Manitoba

Annual Report 1988 - 89

Finance

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Minister of Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

March 31, 1989

His Honour George Johnson
Lieutenant-Governor of the Province of Manitoba
Winnipeg, Manitoba

May It Please Your Honour:

I have the honour of presenting herewith the Annual Report of the Department of Finance of the Province of Manitoba for the Year 1988-89

Respectfully submitted,

Clayton Manness
Minister of Finance

Manitoba

Deputy Minister of Finance

Room 109
Legislative Building
Winnipeg, Manitoba, CANADA
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March 31, 1989

The Honourable Clayton Manness
Minister of Finance
103 Legislative Building

Sir:

I have the honour of presenting herewith the Annual Report of the Department of Finance of the Province of Manitoba for the Year 1988-89

Respectfully submitted,

Charles E. Curtis
Deputy Minister of Finance

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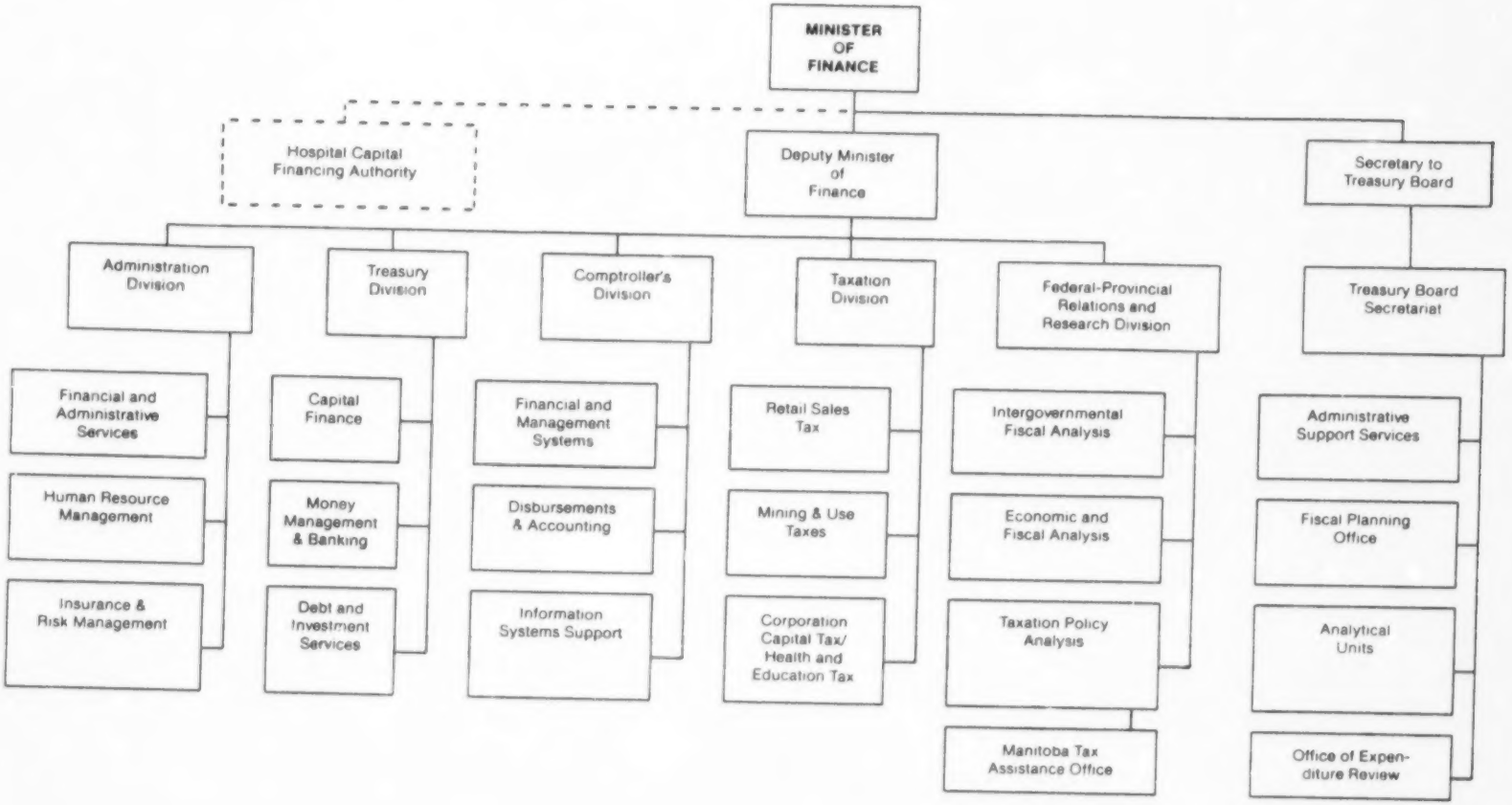
ORGANIZATION CHART – MANITOBA FINANCE – 1988–89



ROLE AND MISSION STATEMENT

The Minister of Finance is Vice Chairman of Treasury Board, and through the Department, manages the Consolidated Fund and directs the financial affairs of the Province. The overall responsibilities of the Minister and the Department include:

- Providing policy direction on matters relating to financial management and administration

- Analyzing and appraising the economic situation and prospects in Manitoba in co-operation with other Ministries as appropriate

- Advising on fiscal and other economic policies and measures

- Managing the requirements of the Province within appropriate fiscal and administrative policies, by action related to expenditures, lending, taxation, borrowing and cash management

- Advising on policies relating to Federal-Provincial fiscal and economic relations

- Representing the Province in negotiations and participating in meetings related to finance, taxation and economic development

- Maintaining the provincial accounting and financial reporting systems

- Providing direction to Government for the appropriate and effective use of information systems technology

- Providing insurance and risk management services to all Government Departments, Agencies and certain Crown Corporations

OVERVIEW

Manitoba Finance was established in 1969. Prior to then two departments, the Comptroller-General and the Treasury, both functioned under The Treasury Act. The Comptroller-General became the Provincial Auditor operating under The Provincial Auditor's Act and the Treasury became the Department of Finance, operating under The Financial Administration Act.

During the period covered by this report - April 1, 1988 to March 31, 1989 - the Department was comprised of five operating divisions:

- Administration

- Treasury

- Comptroller's

- Taxation

- Federal-Provincial Relations and Research

and a Treasury Board Secretariat, headed by a Secretary to Treasury Board, reporting to the Premier as Chairman of Treasury Board.

ADMINISTRATION DIVISION

The Administration Division is composed of three branches and is responsible for providing central management and administrative support services to the Department including financial and accounting services and human resource management services. Insurance and risk management services are provided to all departments and agencies.

The three branches:

- Financial and Administrative Services
- Human Resource Management
- Insurance and Risk Management

Financial and Administrative Services Branch

The Branch, with a staff of four, performs all accounting, financial, budgeting and general administrative services for the Department. The Branch processes all departmental expenditures and revenues. This includes the processing of all departmental payments to suppliers of goods and services and the initiation of input to the central Government computerized accounting systems. It is responsible for the propriety, accuracy and completeness of accounting and financial information and the summarizing of related statistical data.

The budgetary function includes the co-ordination of comprehensive fiscal budget support services to the departmental divisions. This consists of the preparation and presentation of the Department's annual budget estimates, ongoing budget analysis, cash flow statements, the monitoring of expenditures and revenues and the provision of related reports to departmental management and Treasury Board.

Administrative functions include management of the departmental vehicle fleet, parking, co-ordination and acquisition of telephone and other communication requirements, monitoring departmental purchasing activities and assisting with the management of departmental programs and administrative requirements.

Human Resource Management Branch

The Human Resource Management Branch, established in 1981, continues to fulfill its mandate, which is to provide effective and efficient Human Resource Management programs and services as may be required to facilitate the achievement of organizational goals and objectives.

On-going key result areas include:

- Payroll, records, systems and benefits administration

- Position classification, recruitment, selection and employee orientation

- Organizational planning and staff utilization, including performance evaluation

- Staff development and training, including the seconded trainers program

- Labour relations and counselling services

- Implementation of Affirmative Action programs

- Management consulting, including services in design, development and delivery of Department originated training courses

- Workplace Safety and Health programs

- Administration of Conflict of Interest Guidelines

New initiatives include:

- Computerization of a departmental Human Resource Management Information System

- Participation on the Working Committee for the Manitoba Employee Information System (M.E.I.S.) Direct Access project.

STATISTICAL ANALYSIS (FINANCE AND TREASURY BOARD SECRETARIAT)

A. STAFFING ACTIVITY

	1987-88	1988-89
Approved Staff Years	383	418
Positions Becoming Vacant	113	56
Turnover (%)	29.5	13.4
Competitions Held	37	16
Total Applications Received	989	403
Candidates Interviewed	198	99

B. AFFIRMATIVE ACTION

	1987-88		1988-89	
	Target	Actual	Target	Actual
Native	2.0%	0.7%	3.0%	0.7%
Women	20.0	52.8	35.0	51.4
Physically Disabled	2.0	3.4	3.0	4.7
Visible Minority	2.0	6.1	3.0	5.9

C. IN-HOUSE TRAINING

	1987-88	1988-89
No. of Staff Attending	87	126
Total Course Days	258.5	67.5

Insurance and Risk Management Branch

The responsibility of the Insurance and Risk Management Branch is to centralize the insurance function for Province of Manitoba Departments and Agencies, and to actively manage the risk exposures, or chances of unexpected loss, faced by these Departments and Agencies.

Risk Management recognizes that an organization can reduce the financial impact of unexpected losses by identifying and evaluating the possibilities of loss and taking appropriate measures to reduce or eliminate these losses. The number of losses can be reduced through risk avoidance, risk control and risk transfer methods. The monetary impact of losses can be reduced by risk financing methods including the purchase of insurance and proper use of loss funding alternatives.

In 1988-89 the Branch purchased insurance coverages for Government Departments and Agencies at a total premium cost of $1.9 million. These coverages protected physical assets valued at approximately $2.2 billion, including provincial buildings, aircraft, airports and passenger ferries. The Branch utilized the competitive insurance markets to increase the limits of coverage on the Province's General Liability policy, as well as obtaining broader coverage terms for the Government's Blanket Property policy. This was achieved with an overall premium reduction of approximately 10% from the year previous.

The Insurance and Risk Management Branch, with a staff of 4, administers insurance-related property losses and liability incidents for Government Departments and Agencies. In 1988-89, 333 property incidents were reported with approximate damages totalling $772,000; 271 potential liability incidents were reported with claim reserves set at $365,000; and 14 crime-related losses were reported with damages of approximately $77,000. The Branch also administered recoveries from third parties involving approximately $175,000 in damages to Provincial property.

Major projects during 1988-89 involved reviewing Products Liability exposures for the Manitoba Development Corporation, advising on insurance requirements for volunteers in Government, reviewing sealcoat damage claims for the Department of Highways and Transportation, as well as consulting with the Manitoba Hazardous Waste Management Corporation on their insurance requirements.

The Insurance and Risk Management Branch reviewed leases, third party service and employment contracts, purchase agreements and numerous project contracts, for insurance and liability provisions. The Branch worked closely with the Attorney-General's Department in promoting the use of standardized contracts with appropriate indemnity and insurance provisions. The Insurance and Risk Management Branch also provided proof of insurance documents on behalf of Government Departments and Agencies.

The Insurance and Risk Management Branch provided guidance regarding insurance provisions in current and planned legislation, as well as obtaining input regarding insurance tendering practices from the Manitoba brokerage community.

TREASURY DIVISION

The Treasury Division was created as a separate entity in 1976 due to the need for placing greater emphasis on the management of substantial amounts of money, debt and investments. Since that time volumes and dollar values have increased significantly, requiring the development of currency and interest rate risk management programs. In the absence in the Province of separate agencies to assist in the financing of municipalities, schools and hospitals, the Treasury Division ensures that such financing is arranged.

The Division maintains regular contact with the world financial community to inform more than 100 domestic and foreign financial corporations and rating agencies of the policies and economic performance of the Province.

The Treasury Division is divided into four functional areas:

- Administration

- Capital Finance Branch

- Money Management and Banking Branch

- Debt and Investment Services Branch

Administration

The Administration function has been allocated two staff years for the performance of the following functions:

- General Management of the Treasury Division

- Contact with the world financial community

- Investment of sinking funds and other long term investment accounts aggregating in excess of $2.0 Billion

- Establishing interest rates for loans to Crown Corporations, Government Agencies, school boards, hospitals and municipalities

- Provision of management and financial advisory services to government departments, agencies and investment funds

Capital Finance Branch

The Capital Finance Branch of the Treasury Division, formerly referred to as the Debt Management Branch, has been allocated six staff years for the performance of the following major functions:

- Managing the borrowing programs of the Government, Crown Corporations, Government Agencies and other loan programs

- Administering provincial investment in, and advances to, Crown Corporations, Government Agencies and other loan programs

- Managing sinking funds of the Province, Crown Corporations and Government Agencies

- Acting in an advisory capacity to Crown Corporations, Government Agencies and managers of other loan programs regarding the respective organization's policies and procedures related to capital financing.

Borrowing

The borrowing program of the Government, its Crown Corporations and Government Agencies aggregated approximately $1.71 billion in 1988-89, $1.16 billion for General Government Programs and $545 million for Self-Supporting Programs. The aggregate amount of Province of Manitoba direct and guaranteed debt outstanding at March 31, 1989 using March 31, 1989 foreign exchange rates for conversion of foreign issues was $12.36 billion ($11.87 billion at March 31, 1988) of which $6.58 billion ($6.31 billion at March 31, 1988) was for General Government Programs.

The Capital Finance Branch actively monitors the global capital markets and manages the Province's outstanding debt through the use of both short and long term hedging techniques such as currency exchange agreements, interest rate swaps, forward rate agreements and various option structures. During the 1988-89 fiscal year, the Branch negotiated currency exchange agreements which resulted in more than a 50% reduction in the Province's foreign currency exposure to non-North American liabilities. In addition, the Branch arranged for the call for redemption of four issues of debt in advance of their maturity and for which refinancing was arranged at considerably lower interest rates.

The Branch is responsible for meeting the ongoing reporting and filing requirements of all markets in which the Government has borrowed money. During 1988-89, a prospectus and related agreements were prepared for each of the Province's six foreign issues. As well, three major reports and filing documents were prepared for regulatory agencies.

The Branch also coordinated presentations to each of the four major North American rating agencies who evaluate the credit worthiness of the Province.

Investment

The Capital Finance Branch administers the government's non-budgetary investment activities through advances to and/or equity investments in various Crown Corporations, Government Agencies and other loan programs. During 1988-89 an aggregate amount of $735 million of such investments were made while $301 million of principal was recovered. At March 31, 1989 the aggregate amount of advances and equity investments outstanding was approximately $4.4 billion.

Sinking Funds

Sinking Funds of the Province of Manitoba, its Crown Corporations and Government Agencies are managed by the Capital Finance Branch. At March 31, 1989, Sinking Funds related to the direct debt of the Province amount to $1.5 billion, up 16% from $1.3 billion at March 31, 1988. Sinking Funds of the Crown Corporations and Government Agencies totalled $288 million at March 31, 1989, up 6% from 1988. The Capital Finance Branch determines the amount of all the cash flow of these funds for investment purposes.

Other Responsibilities

The Capital Finance Branch also acts in an advisory capacity to Crown Corporations and Government Agencies and makes recommendations respecting each organization's policies and procedures related to the financing of their programs. All existing and proposed legislation of a financial nature is reviewed to ensure that the objectives of the Crown Corporation or Government Agency are met and that there is legislative consistency among the various entities.

The Branch is responsible for operating the Manitoba Hospital Capital Financing Authority, which assists operators of hospitals to finance their capital expenditures.

The Branch is also responsible for the management of the accounts of Manitoba Properties Inc. a Corporation owned by the Province for the purpose of purchasing provincial properties which are then leased back to the Province.

Money Management and Banking Branch

The Money Management and Banking Branch of the Treasury Division has been allocated six staff years for the performance of the following major functions:

- Managing the Government's monetary resources

- Managing the short term investment and borrowing programs for the Government

- Administering trust money deposited with the Minister of Finance by Crown Corporations, agencies and departments

- Managing the banking operations of the Government

Money Management

The Money Management and Banking Branch prepares cash flow forecasts detailing the Government's anticipated daily receipts and expenditures, including its trust adminstration activities. Management of daily bank balances and timing of long term borrowing is determined as a result of these cash flow forecasts.

During 1988-89, the Money Management program involved managing the cash flow for over 1,700,000 cheques representing $10 billion of transactions processed through the government's disbursement system and over 900,000 cheques, money orders, drafts and other items representing approximately 17,000 bank deposits processed through the receipts-handling system of Government.

Investment/Borrowing

Monitoring and management of the Government's cash flow during 1988-89 resulted in the Branch arranging 1,800 short term investment transactions aggregating over $22.0 billion of investment purchases and $2,392 million of investment sales. The Branch also arranged for the issue of $266 million of Promissory Notes to finance temporary short-falls resulting from differences in the timing of Government payments and receipts. Interest earned on these short term investments amounted to over

$117.8 million while interest paid on the Promissory Notes issued was approximately $2.0 million. The Branch monitored the credit status of approximately two dozen approved investments and maintained appropriate exposure limits for each, recommending changes where necessary to minimize risk.

Trust Administration

Over 50 Departments, Agencies and Crown Corporations deposit surplus funds with the Minister of Finance in interest-bearing trust deposits. These trust funds averaged approximately $850.0 million in 1988-89. In excess of 2,400 trust deposit receipts were issued in 1988-89 and 2,000 payment vouchers processed by the Branch in respect to these deposits. Interest paid on these trust accounts in 1988-89 was in excess of $86.0 million.

Banking Operations

The Branch maintained a central index of approximately 700 accounts representing all Province of Manitoba bank accounts in all financial institutions in the Province. These accounts included Manitoba Public Insurance Corporation agents' accounts.

Debt and Investment Services Branch

The Debt and Investment Services Branch of the Treasury Division has been allocated ten staff years for the performance of the following major functions:

- Servicing the debt of the Province of Manitoba in accordance with all the terms and conditions pertaining thereto

- Servicing the investments of the Province of Manitoba and certain Crown Corporations and Government Agencies, including the maintenance of safekeeping operations for securities owned or held by the Minister of Finance at a number of locations in Canada, the United States of America, Germany, Switzerland, Japan and the United Kingdom

- Preparation, revisions and analyses of Public Debt and Energy Rate Stabilization estimates.

Debt Servicing

The Province acts as its own transfer agent on all of its Canadian Dollar denominated securities and on some of its U.S. Dollar denominated securities. During the fiscal year ended March 31, 1989, 5,911 debentures and savings bonds were presented for transfer or exchange. These securities had a total value of $600 million and required 5,064 new securities to be issued.

Deutsche Marks, Japanese Yen, Swiss Francs and U.S. Dollars were purchased to service the foreign debt obligations of the Province. New borrowings in the United States required the sale of U.S. Dollars.

As at March 31, 1989, the direct debt serviced by the branch aggregated approximately $10 billion. This represents 28 issues payable in Canadian Dollars, 26 issues payable in U.S. Dollars, 5 issues payable in Swiss Francs, 6 issues payable in Japanese Yen and 2 issues payable in Deutsche Marks as well as Treasury Bills, C.P.P. debentures and loans from the Government of Canada under special agreements, all payable in Canadian Dollars.

Investment Servicing

Sinking fund investments of the Province of Manitoba, its Crown Corporations and Government Agencies are serviced by this branch. Investment purchases of $309.3 million were processed and investment earnings of $196.9 million and principal maturing with a book value of $24.3 million were collected and deposited during the 1988-89 fiscal year.

The branch also services the long term investments of major accounts such as the Manitoba Public Insurance Corporation, the Civil Service Superannuation Fund, and The Workers' Compensation Board and provides a securities safekeeping operation for these and other accounts, including the Public Trustee.

The branch services the short-term investments of the Province. As well as ensuring that payments and receipts are made efficiently, this service provides for the safekeeping of these investments at locations throughout Canada. This involved the issue of 3,280 safekeeping records respecting purchases, sales and maturities in 1988-89 with a total dollar value of $44.5 billion.

In order to meet its responsibilities in Debt and Investment Services, the branch operates a payment voucher and Emergency Cheque System for the Division. During 1988-89, 3,982 cheques were issued with a total value of $5.0 billion.

Foreign Currency Activity
April 1, 1988 – March 31, 1989 (millions)

	Deutsche Marks	Japanese Yen	Swiss Francs	U.S. Dollars
Purchases	68.5	29,526.8	303.6	632.7
Sales	-	-	-	643.0
	68.5	29,526.8	303.6	1,275.7
Transactions	22	65	66	177

COMPTROLLER'S DIVISION

The role of the Comptroller's Division of the Department of Finance is to effectively support the decision-making process of central government with financial and management information, advice and analysis. Its major objectives are:

- To develop and establish the required framework for the effective control and operation of the Government's financial management and information systems activities

- To administer the operation of the Government's central payment and accounting systems in order to support the delivery of Government programs

- To accurately report the financial activities of the Consolidated Fund.

The Division operates under the direction of the Provincial Comptroller. In addition to the Comptroller's Office, the Division is comprised of three branches:

- Financial and Management Systems

- Disbursements and Accounting

- Information Systems Support

Financial and Management Systems Branch

The Financial and Management Systems Branch is responsible for developing, communicating and supporting government-wide financial management policies, systems, processes and procedures in order to ensure the effective operation of the Government's financial management functions.

With a staff complement of 16, the Branch carried out these responsibilities through its three operating units:

- Policy Administration and Support

- Policy and Systems Development

- Computer Systems Support

Ongoing major activities of the Financial and Management Systems Branch include maintaining the government's Financial Administration Manual, providing financial management training throughout government, reviewing and coordinating the preparation of departmental Estimates Supplements, responding to concerns identified by the Provincial Auditor relative to Departments and Agencies of government, and providing computer maintenance support for the government's central automated financial management and accounting systems.

In addition, several major projects were initiated or completed in 1988-89 including:

- A conceptual review of a government-wide integrated financial information system and commencement of a detailed feasibility study

- The coordination and management of the Phase I and Phase II government-wide independent reviews, and initiation of preliminary work with departments and consultants for Phase III pertaining to the development of an accountability framework for the Manitoba Government

- The development and implementation of a Disaster Recovery Plan for all central government financial systems residing on computer including Payroll, Voucher Accounting, General Ledger, Shared Cost Agreement Claiming Subsystem and Bank Reconciliation

- The development of new comprehensive guidelines for departmental Annual Reports to ensure government-wide consistency regarding content, timeliness of preparation and format

- The review and analysis of issues associated with the Government's unfunded pension liability.

Disbursements and Accounting Branch

The role of the Disbursements and Accounting Branch is to provide central processing, accounting and control for all receipts to, and disbursements from, the Consolidated Fund in accordance with governing legislation and established accounting policies and procedures. This Branch maintains the official accounting records of the Government and prepares financial statements and reports for presentation to the Legislature, the Public and for central and departmental use. The Branch also ensures that functional direction and guidance over the

receipt and disbursement of public funds will be provided to departments in a comprehensive form, resulting in appropriate financial processes within the Province of Manitoba.

In order to perform its mandate, the Branch, with a staff of 65, has been organized into five sections. These are:

- General Accounting

- Payroll Accounting

- Voucher Accounting

- Data Entry Support

- Shared Cost Agreements

During 1988-89, the Branch prepared, signed and issued 474,657 payroll cheques and 522,817 cheques to corporations, firms, individuals, other governments and government agencies based on documents and supporting information submitted by the Government's operating departments. The Branch also signed and issued 554,340 social program cheques and 83,533 housing grant cheques.

Information Systems Support Branch

The Information Systems Support Branch is responsible for the development and maintenance of government-wide strategies for information systems management. It also provides analytical support to Treasury Board in monitoring compliance with resultant policies, procedures and guidelines as well as providing eduction and training programs and consultative support services. Overall, the Branch is concerned with promoting the cost-effective and economic use of information technology in the public sector.

During 1988-89 several initiatives were undertaken in the implementation of the Information Technology Strategy. These include the establishment of the Deputy Minister level Executive Systems Committee, initiation of the systems professional secondment process and the development of a corporate skills/-training overview.

Information technology training was provided to over 1300 employees including several special request courses. Six issues of the Branch Bulletin were published.

Consultative support was provided to seven government departments and agencies, and over 120 technical support requests were handled. Project management support was extended to three large projects - the definition of the Capital Finance system; the office automation study and selection for Executive Council and the Wang Canada Ltd. office automation proposal for the entire Legislative Building.

The Branch has a staff of 18 and is divided into three operating units:

- Policy Development and Administration

- Training and Education

- Support Services

TAXATION DIVISION

The Taxation Division is responsible for administering all provincial taxes excluding personal and corporate income taxes which are administered by the federal government on behalf of the Province.

Estimated revenues for 1988-89 of $1,308,415,000 were exceeded by actual revenues of $1,347,400,242, a revenue gain of $38,985,242 mainly attributable to gains in mining taxes of $28,297,000.

The cost of operating the Taxation Division for 1988-89 was $8,325,982, a saving below budgeted expenses of $561,900. The cost of operations was only .6% of revenues, an improvement over the previous year (.7%).

The Succession Duty Act, S215 was suspended effective October 11, 1977 and applied to persons' estates dying after December 31, 1971. The revenues for 1988-89 were $322,631 represented mainly by payments of interest on duty deferred until the final beneficiary receives the bequest.

The Taxation Division is composed of three branches:

- Retail Sales Tax Branch

- Mining and Use Taxes Branch

- Corporation Capital Tax/Health and Post Secondary Education Tax Levy (Payroll Tax) Branch

The Retail Sales Tax Branch

The Retail Sales Tax Branch operated in 1988-89 at a cost of $3,690,200, an increase of 7% over 1987-88, with a staff of 90. The Branch's net revenue for 1988-89 amounted to $594,707,948, a 4.9% increase over 1987-88 revenue. Included in 1988-89 revenue is $11,618,928 resulting from audit and inspection activities.

The Retail Sales Tax Act taxes certain services and goods purchased in Manitoba, or brought into the province, for consumption. A number of exemptions are provided. Tax rates throughout 1988-89 were: 12% on wine, spirits and imported beer; 7% on other goods and services.

During the year the Branch processed 225,489 sales tax returns from tax collectors/taxpayers.

The following are some of the many other activities that were performed by the staff relative to the administration and enforcement of The Retail Sales Tax Act.

- Maintained a tax roll on all registered businesses that collect and/or pay the tax, which included registering 4,266 new businesses and cancelling 3,384 registrations held by businesses that closed their operations during the year

- Controlled the issuance and usage of 117,600 pre-numbered tax reporting forms by Autopac Agents and the Driver and Vehicle Licencing Division of the Department of Highways and Transportation

- Processed and paid 12,299 refund claims from taxpayers, totalling $5,012,917

- Made a total of 38,514 calls by compliance staff, either by telephone or in person, on tax collectors/taxpayers for the purpose of informing them of the tax requirements, verifying refund claims, obtaining information for the tax roll, collecting delinquent tax returns and arrears and inspecting business records

- Collected $5,931,116 tax revenue from inspection of business records and other compliance activities

- With audit staff resources, audited the records of 555 businesses, which resulted in the recovery of $5,687,812 tax revenue

- Carried out, in cooperation with other provinces, a joint audit of the 1985-86 tax payments made by the Federal Government under the Reciprocal Taxation Agreement

The Mining and Use Taxes Branch

The Mining and Use Taxes Branch operated at a cost of $2,285,002 in 1988-89, an approximate 3% increase over 1987-88 with permanent staff level of 50. The Branch's revenue for 1988-89 was $493,505,620, an increase of $125,224,600 over 1987-88. The Branch's expenses of $2,285,000 represent .46% of revenues. Included in 1988-89 revenues are $7,832,836 of audit recoveries and compliance recoveries.

The Branch administered the following statutes:

The Gasoline Tax Act - imposes a per litre tax on all purchases of gasoline, aviation gasoline and gasohol subject to certain exemptions for farming, fishing, trapping and logging. The tax is collected through some 1500 retail dealers and 45 collectors and amounted to $121,956,873 for 1988-89, an increase of $1,956,900 over budgeted revenue.

Tax rates through 1988-89 were as follows:

	Tax Rate per Litre Prior to Sept. 1/88 cents	Tax Rate Per litre From Sept. 1/88 cents
Leaded gasoline	8.9	9.8
Unleaded gasoline	8.0	8.0
Leaded gasohol	6.4	7.3
Unleaded gasohol	5.5	5.5
Aircraft gasoline	4.8	5.8

The Mining Tax Act - imposes a tax of 20% of the profit on mining operations. Revenue from this source in 1988-89 was $151,324,973, an increase over the actual 1987-88 revenue of $28,297,000. This increased revenue is mainly due to increased base metal prices, and, to a lesser degree, to a tax rate increase from 18% to 20% and to a reduction in processing allowances due to an amendment to the method of calculating that allowance.

The Oil and Gas Production Tax Act - levies a tax on the value of production of oil from freehold lands. The tax rate was dependent upon the quantity and value of production, and, whether the oil wells were "new" or "old" as defined in the Act. Revenue for 1988-89 amounted to $5,705,303.

The Pari-Mutuel Tax Act - provides for a tax on the amount bet by every person who bets through the agency of a pari-mutuel system. Rates were 7.5% for a bet involving either one or two horses and 12.5% for bets involving three or more horses. Revenue from this source in 1988-89 amounted to $5,034,777 most of which is returned to the horse racing industry in the form of purse support grants administered through the Department of Industry, Trade and Tourism.

The Motive Fuel Tax Act - imposes a per litre tax on all purchases of petroleum products that can be used in the operation of an internal combustion engine or for commercial heating that are not taxable under The Gasoline Tax Act, subject to tax exemptions for farming, fishing, trapping, logging and domestic home heating. The 1988-89 tax collections of $64,875,614 were remitted by 44 appointed collectors and by certain interprovincial truckers and propane dealers.

Tax Rates throughout 1988-89 were as follows:

	Rate Per Litre
Diesel - on highway	9.9 cents
Diesel - off-highway	7.5 cents
Locomotive fuel	13.6 cents
Commercial heating oil	1.9 cents
Bunker for commercial heating	1.7 cents
Propane - motor vehicle fill	5.7 cents
Propane - cylinder fill (per kg.)	4.3 cents
Propane - bulk - commercial heating or other commercial	1.6 cents

Part 1 of The Revenue Act, 1964 - imposes a tax on the purchase price of electricity, coal and natural gas delivered by a pipeline. Revenue from this 7% tax for 1988-89 was $45,811,809. Special exemptions from this tax are provided for heating domestic dwellings and farm buildings.

The Tobacco Tax Act - imposes a tax on the purchase of cigarettes, cigars and other tobacco products. On September 12, 1988 the tax rate for cigarettes increased from 4.5 cents per cigarette to 5.5 cents and the tax rate for tobacco increased from 1.6 cents per gram to 1.9 cents. Tax collections for the 1988-89 year amounted to $98,724,970.

Budget to Actual

During 1988-89 actual Branch total tax revenues exceeded budgeted tax revenues by the gain of $40,869,200 due primarily to increased mining tax collections because the mining industry experienced higher profits arising from higher base metal prices and improved efficiency.

During the year actual expenses of $2,285,002 were less than budgeted expenses of $2,529,000, a saving of 9%, amounting to $243,998.

Activities

Investigators in the Compliance area maintained their emphasis in the laying of charges for tax evasion as the result of taxpayers failure to remit taxes, smuggling, or other illegal activities, the results of which are described below.

	Year Ended March 31st 1989	1988
Active Investigations with potential criminal charges	68	70
Court Convictions:		
Tobacco Inventory - false return	13	16
Possession of untaxed tobacco	15	17
Failure to remit fuel taxes	2	1
Failure to report fuel imports	2	1
Other fuel tax offenses	3	6
Total Convictions	35	41
Other:		
Assisting police in charging persons for being in possession of stolen cigarettes	15	9
Fuel Sampling:		
Having marked fuel in a motor vehicle other than a farm truck	223	139

In addition to other duties the following refunds were audited and paid out by the Branch.

	Year Ended March 31st 1989	1988
Refunds to truckers, railways, etc. for fuel exported from Manitoba	$11,714,558	$10,913,602
Other refunds	$1,125,809	$756,114

Meetings over the last few years have been convened with the mining industry and the Department of Energy and Mines to identify areas for taxation review. Results of that review was the implementation of a time limit for audit assessments and the cooperative resolving of the inequity of the Canadian Corporation Income Tax rules for the allocation of taxable income to our province by the mining industry. The Mining Tax Act was amended during the year to provide for a six (6) year limitation on assessments. Continuing discussions on the Corporation Income Tax allocation problem have progressed to potential resolution of those problems in the following fiscal year due mainly to cooperation from the mining industry.

A simpler Canadian tobacco tax reporting system was developed in 1988-89 for implementation on April 1, 1989, resulting from initiatives taken by this Branch's personnel with the three major tobacco manufacturers, The Canadian Tobacco Tax Subcommittee and officials of other provinces. This improved system will provide Manitoba tobacco collectors with information that will simplify preparation of their tax returns resulting in cost savings to both them and to this Branch's administration.

Manitoba was again a member of an interprovincial joint audit team with the provinces of Quebec and Ontario on a major tobacco manufacturer. These national audits provide all the provinces with the cost saving benefit of shared audit responsibilities as well as cost savings to the tobacco manufacturer being faced with one joint audit rather than 10 provincial and two territorial audits.

Negotiations were convened with the oil industry to enable marked unleaded gasoline to be provided to Manitoba farmers for the year.

Two lap top computers were purchased as the beginning of a commitment to utilize computers for tax auditing to enhance audit effectiveness, to reduce costs, and to increase audit recoveries.

The Corporation Capital Tax/ Health and Post Secondary Education Tax Levy Branch

The Corporation Capital Tax/Health and Post Secondary Education Tax Levy Branch operated at a cost of $2,027,800, for the 1988-89 fiscal year, a 6.8% increase over 1987-88, with 50.48 staff years. The Branch's revenue for 1988-89 amounted to $258,864,042, a 5.3% increase over 1987-88. Included in 1988-89 revenues is $3,753,979 of audit and compliance recoveries.

The Branch administers the following statutes:

The Corporation Capital Tax Act - imposes a tax on corporations' taxable paid up capital, as defined in the Act. This, in general terms, is equal to "net funds" invested in corporations. "Funds" include all types of investments such as mortgages, loans and shareholders' equity. If the taxable paid up capital is less than $1,000,000 the corporation is exempt from this tax. 1988-89 revenues were $59,672,532. Rates, at March 31, 1989, were: General Rate 3/10ths of 1%; Surtax of 2/10ths of 1% on taxable capital in excess of $10,000,000; 3% rate for Banks and Trust and Loan Corporations.

The Corporation Capital Tax Roll at March 31, 1989, totals 41,004 accounts comprised of:

Active Accounts	8,687
Exempt Accounts (1)	25,677
Inactive (2)	6,640
Total Taxpayers on file	41,004

(1) These accounts, although less than the threshold exemption of $1,000,000, are required to file an Annual Return to substantiate their current tax status. This provides the administrative control mechanism vis-a-vis continued exemption or change to taxable status.

(2) These accounts are required to be on the taxroll as they represent business entities that have incorporated but are not as yet carrying on business (e.g. shelf corporations).

The Health and Post Secondary Education Tax Levy Act - imposes a tax on employers' total annual gross remuneration to their employees. Employers, who paid total gross remuneration less than $100,000 annually, were exempt up to December 31, 1988. The tax exemption level was increased to $300,000 effective January 1, 1989. Revenues from this tax amounted to $199,191,511 in 1988-89. The tax rate of 2.25% has been effective since April 1, 1987. Prior to that date, the tax rate was 1.5%.

The Health and Post Secondary Education Tax (Payroll Tax) Tax Roll at March 31, 1989, totals 49,031 accounts comprised of:

Active Accounts (1)	6,929
Exempt Accounts (2)	38,360
Other (inactive, no commencement date) (3)	3,742
Total Taxpayers on file	49,031

(1) Includes monthly, seasonal and notch rate taxpayers who file a Health and Education Tax Return monthly and/or as required.

(2) Exempt taxpayers file "Annual Declaration of Salaries Paid" returns to substantiate their current tax status.

(3) These entities are on the taxroll as they have advised that they intend to carry on an active operation at some future date, not as yet known.

Comparative Statement of Revenues

For Fiscal Years Ending March 1985 to March 1989

	1984–85 $	1985–86 $	1986–87 $	1987–88 $	1988–89 $
Corporation Capital Tax	24,483,929	29,628,583	40,571,178	58,382,530	59,672,532
Gasoline Tax	101,813,336	114,631,043	115,729,776	119,550,305	121,956,873
Health and Post Secondary Education Tax Levy	111,143,652	118,850,387	126,578,471	187,537,909	199,191,511
Succession Duty & Gift Tax	106,220	78,548	100,823	78,521	322,631
Mining Claim Lease Tax	76,410	76,723	74,985	75,033	71,301
Mining Tax	9,216,867	13,738,676	48,106,236	28,297,000	151,324,973
Motive Fuel Tax	45,426,662	49,579,631	56,956,011	71,561,908	64,875,614
Oil and Gas Production Tax(1)	14,717,310	14,293,355	7,249,097	8,357,582	5,705,303
Pari Mutuel Tax	4,720,842	5,272,228	5,080,039	5,193,472	5,034,777
Retail Sales Tax	391,338,305	436,790,783	463,027,709	566,998,872	574,707,948
Revenue Act, 1964, Part 1	32,808,175	34,160,684	32,642,408	41,414,144	45,811,809
Tobacco Tax	66,129,090	77,701,549	91,660,199	93,906,690	98,724,970
	801,980,798	894,802,190	987,776,932	1,181,353,966	1,347,400,242

(1) 1985 to 1987 revenues under The Oil and Natural Gas Tax Act. This Act was replaced by The Oil and Gas Production Tax Act as at April 1, 1987.

FEDERAL–PROVINCIAL RELATIONS AND RESEARCH DIVISION

The Federal-Provincial Relations and Research Division has as its primary tasks to provide research, technical, and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental financial relations, including cost-shared programs; to administer fiscal arrangements and tax collection agreements with the federal government and to administer tax credit programs with the federal government and municipalities. Major areas of responsibility include intergovernmental financial relations, economic and fiscal policy analysis and tax policy formulation.

The Division is comprised of three branches and an administrative unit:

- Intergovernmental Fiscal Analysis Branch

- Economic and Fiscal Analysis Branch

- Taxation Policy Analysis Branch (which is responsible for the Tax Assistance Office)

- Administrative Unit

The Division's senior staff consists of the Assistant Deputy Minister and four directors, including the Director of Communications and Directors of the Intergovernmental, Economic and Taxation Branches.

Intergovernmental Fiscal Analysis Branch

The Intergovernmental Fiscal Analysis Branch includes five staff positions.

The Branch Director and staff undertake continuing analysis of intergovernmental fiscal transfers, in particular, with respect to personal and corporate income tax collections, federal financing for health and higher education, equalization, reciprocal taxation and some aspects of provincial-local government fiscal arrangements.

Total provincial revenues governed by Federal-Provincial fiscal arrangements and administered by the Fiscal Analysis Branch in 1988-89 amounted to $1,029.9 million in personal income tax; $201.1 million in corporate income tax; $863 million in equalization payments; $426.1 million in cash payments for health and eduction; $16.5 million from the Reciprocal Taxation Agreement and $2.2 million in other unconditional subsidies.

The Intergovernmental Fiscal Analysis Branch also provided support in administering $47.1 million in Provincial-Municipal Tax-Sharing Payments.

In addition to providing fiscal analysis necessary for the Minister and Cabinet to develop the Budget, the Intergovernmental Fiscal Analysis Branch was responsible for the production of Budget and Budget-related communications.

The Branch Director and staff represent the Province at Federal-Provincial meetings and on working groups on fiscal data, fiscal arrangements and other Department of Finance issues. In addition, the Branch also serves as the focal point for the review of all government regulations.

Economic and Fiscal Analysis Branch

The Economic and Fiscal Analysis Branch includes four staff positions.

The Branch provides economic and fiscal analysis of national, regional and provincial matters for the Minister and Cabinet, as well as for use by various departments in policy development and Estimates preparation. The Branch monitors and reviews a wide variety of both private and public analyses and forecasts and maintains an extensive information base in order to meet these requirements.

The Branch Director and staff represent the Province on Federal-Provincial committees and working groups and provides support for Ministerial and First Ministers' meetings. As well, the Branch provides interdepartmental coordination of economic analysis through the Interdepartmental Economic Outlook Group.

The Branch prepares the Economic Reviews presented with the Budgets, and Financial Reports, as well as extensive major reviews for ministerial and consultative presentations.

An important and ongoing task of the Branch is to prepare major components of Provincial borrowing prospectuses and securities registration statements in regard to economic and financial data and to

represent the Province in "due diligence" examinations of borrowing documents. An additional related task is to prepare major presentations for financial institutions and credit-rating agencies and to coordinate supporting presentations from other departments of Government.

Taxation Policy Analysis Branch

The Taxation Policy Analysis Branch has five staff years assigned with a further 11.26 staff years available for full and term positions in the Tax Assistance Office.

The Taxation Policy Analysis Branch develops recommendations for taxation policy and for specific tax measures and tax credits. Tax measures are implemented through the Budgets and legislation of the Province and, for income taxes, through the Federal-Provincial Tax Collection Agreement.

The Branch undertakes a wide variety of analytical activities, and for this purpose, maintains current and historical tax data files, and monitors taxation systems across Canada.

The Branch also has responsibility to review and analyse the effects of various federal tax measures and proposals. This work entails participation in Federal-Provincial working groups and ministerial meetings on these matters. In 1988-89 continuing work on major federal Tax Reform proposals was undertaken. The Branch prepared a number of reports setting out implications of national Tax Reform on the Province.

The Branch Director supervises the Tax Assistance Office and the several programs administered in that office. These programs distributed approximately $250 Million to 500,000 Manitobans in 1988-89.

Administrative Unit

This unit with a staff of four provides administrative support, word processing, filing, cataloguing, research, and other organizational and technical support for the Assistant Deputy Minister and the branches of the Division.

Revenue From Federal–Provincial Fiscal Arrangements

For Fiscal Years Ending March 1985 to March 1989

	1984-85 $	1985-86 $	1986-87 $	1987-88 $	1988-89 $
Income Taxes					
Personal Income Tax	586,872.0	649,698.6	760,143.6	989,070.0	1,029,943.0
Corporate Income Tax	129,631.3	126,538.8	119,358.4	167,024.9	201,057.0
Sub Total	716,503.3	776,237.4	879,502.0	1,156,094.9	1,231,000.0
Federal Transfers					
Equalization	477,878.0	470,253.0	508,359.0	620,464.0	863,096.0
Health and Higher Education Cash Transfer	405,270.0	410,134.0	418,209.0	434,081.0	426,056.0
Reciprocal Taxation Agreement	12,235.0	16,507.6	13,407.5	17,855.8	16,497.0
Other Transfers	3,470.8	2,296.7	2,201.3	2,224.4	2,214.0
Sub Total	898,853.8	899,191.3	942,176.8	1,074,625.2	1,307,863.0
Total from Fiscal Arrangements	1,615,357.1	1,675,428.7	1,821,678.8	2,230,720.1	2,538,863.0

THE TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support to Treasury Board, the Minister of Finance, and to Cabinet. The Secretariat is headed by a Deputy Minister who acts as Secretary to Treasury Board.

The major functions fulfilled by the Secretariat include:

- Development and implementation of the annual estimates process

- Review and analysis of departmental estimates

- Preparation of the Annual Estimates of Expenditure and Revenue

- Providing advice and assistance to departments related to Treasury Board matters

- Analysis of departmental Treasury Board Submissions

- Monitoring and reporting on the status of the Province's expenditures and revenues

- Development of processes aimed at fostering longer-term fiscal planning activities and multi-year budgeting

- Critical review of the Government's expenditure base

- Review and development of Administrative Policy and maintenance of the General Manual of Administration

Two different sets of Estimates of Expenditure and Revenue were prepared for the 1988-89 fiscal year. The first set of Estimates was never approved by the Legislature due to the defeat of the Government by a non-confidence motion on March 8, 1988. A provincial election was held on April 26th, 1988. The new Government immediately initiated another estimates process and tabled new Estimates of Expenditure and Revenue for the 1988-89 fiscal year on August 8, 1988.

Also during 1988-89, the Premier assumed responsibility as Chairman of Treasury Board.

During preparation of the 1988-89 Estimates, departments were, for the first time, requested to provide financial information on base programming on a multi-year basis. Departments were required to provide projections of expenditures and revenues for two years beyond the budget year. This represents an initial step towards developing a multi-year budgeting framework.

Administrative Support Services

Administrative Support Services provides administrative and word processing support to all units of the Secretariat, including the maintenance of ongoing secretarial requirements, co-ordination and organization of Treasury Board meetings and requisite agenda and minute material; and coordination and maintenance of the records system for the Secretariat.

Fiscal Planning Office

The Fiscal Planning Office is responsible for developing fiscal strategy and planning options for the Government of Manitoba. This is accomplished through the maintenance of an effective budget/planning cycle within an overall fiscal framework, including the setting of fiscal targets and the designing and overseeing of the annual Estimates process. The Fiscal Planning Office is also responsible for monitoring the fiscal status of the government and preparing regular reports. Financial and operational information is provided to senior management of the Province to facilitate sound financial management of government programming.

Analytical Units

Each analytical unit is responsible for providing analysis, advice and recommendations with respect to program, policy and financial direction for a portfolio of departments. The units ensure that Treasury Board directives are implemented and fiscal targets are met and maintained at a department level.

Major activities include reviewing departmental Treasury Board submissions and providing Treasury Board with assessments and recommendations of the submissions; providing advice to departments on Treasury Board guidelines and procedures as well as on various policy and financial issues; assisting departments in the preparation of annual estimates; analyzing departmental estimates and providing advice and recommendations to Treasury Board on program, policy and resource allocation issues; monitoring the program and financial status of departments; and working with senior depart-

mental personnel to ensure the necessary communication between Treasury Board and departments is maintained.

Office of Expenditure Review

The Office of Expenditure Review provides support to Treasury Board through reviews of programs and processes within the expenditure management system and through communication of the delegation of management authority throughout government.

Included in the Office of Expenditure Review are two units. The Expenditure Review unit is responsible for enhancing the Treasury Board decision-making process through the development of options for expenditure reduction, administrative streamlining, and improvements to the expenditure management system. The Administrative Policy unit is responsible for the development, communication and interpretation of policies, procedures and guidelines on administrative matters in a manner consistent with Treasury Board direction.

EXPENDITURE SUMMARY BY APPROPRIATION
YEAR ENDED MARCH 31, 1989

Department of Finance
Expenditure Summary by Appropriation
Year Ended March 31, 1989

Appro. No.	Service	1988-89 Actual ($'000)	1988-89 Estimate ($'000)	Variance ($'000)
07-1	Administration and Finance	793.3	799.2	(5.9)
07-2	Treasury Division	1,203.1	1,211.8	(8.7)
07-3	Comptroller's Division	4,391.5	4,475.5	(84.0)
07-4	Taxation Division	8,325.9	8,887.9	(562.0)
07-5	Federal-Provincial Relations and Research Division	1,476.2	1,557.9	(81.7)
07-6	Insurance and Risk Management	932.0	1,216.3	(284.3)
07-7	Treasury Board Secretariat	2,013.1	2,202.0	(188.9)
07-8	Tax Credit Payments	236,082.4	237,100.0	(1,017.6)
07-9	Public Debt (Statutory)	375,194.6	483,272.1	(108,077.5)
07-10	Hydro Rates Stabilization (Statutory)	44,065.9	4,636.2	39,429.7
07-11	Payment of Judgment (Statutory)	39.0	0.0	39.0
07-12	Payment of Claim under The Financial Administration Act (Statutory)	0.4	0.0	0.4
07-13	Payment of Claim under The Financial Administration Act (Statutory)	10.0	0.0	10.0
TOTAL		674,527.4	745,358.9	(70,831.5)

Department of Finance

Expenditure Summary by Appropriation

Year Ended March 31, 1989

Appro. No.	Service	1988-89 Actual ($'000)	1988-89 Estimate ($'000)	1988-89 Variance ($'000)
07-1	ADMINISTRATION AND FINANCE			
	a) Minister's Salary	20.6	20.6	0.0
	b) Executive Support			
	Salaries	301.6	297.8	3.8
	Other Expenditures	108.8	119.2	(10.4)
	c) Financial & Administrative Services			
	Salaries	151.5	152.9	(1.4)
	Other Expenditures	34.5	34.8	(0.3)
	d) Human Resource Management			
	Salaries	155.5	152.1	3.4
	Other Expenditures	20.8	21.8	(1.0)
TOTAL 07-1		793.3	799.2	(5.9)
07-2	TREASURY DIVISION			
	a) Salaries	772.8	776.3	(3.5)
	b) Other Expenditures	428.2	432.5	(4.3)
	c) Soldiers' Taxation Relief	2.1	3.0	(0.9)
TOTAL 07-2		1,203.1	1,211.8	(8.7)
07-3	COMPTROLLER'S DIVISION			
	a) Comptroller's Office			
	Salaries	87.5	88.8	(1.3)
	Other Expenditures	3.5	3.6	(0.1)
	b) Financial & Management Systems			
	Salaries	609.1	640.4	(31.3)
	Other Expenditures	567.7	569.8	(2.1)
	c) Disbursements and Accounting			
	Salaries	1,788.7	1,808.7	(20.0)
	Other Expenditures	1,065.1	1,063.6	1.5
	Recoveries from Appropriations	(502.5)	(505.0)	2.5
	e) Information Systems Support			
	Salaries	627.0	698.5	(71.5)
	Other Expenditures	201.5	194.4	7.1
	Recoveries from Appropriations	(56.1)	(87.3)	31.2
TOTAL 07-3		4,391.5	4,475.5	(84.0)

Department of Finance

Expenditure Summary by Appropriation

Year Ended March 31, 1989

Appro. No.	Service	1988-89 Actual ($'000)	1988-89 Estimate ($'000)	1988-89 Variance ($'000)
07-4	TAXATION DIVISION			
	a) Administration			
	Salaries	295.8	325.7	(29.9)
	Other Expenditures	9.8	12.5	(2.7)
	b) Retail Sales Tax			
	Salaries	2,992.2	3,108.5	(116.3)
	Other Expenditures	698.0	644.1	53.9
	c) Mining & Use Taxes			
	Salaries	1,820.2	2,008.1	(187.9)
	Other Expenditures	464.8	520.9	(56.1)
	d) Corporation Capital Tax/Health and Post-Secondary Education Levy			
	Salaries	1,569.4	1,601.4	(32.0)
	Other Expenditures	475.7	666.7	(191.0)
TOTAL 07-4		8,325.9	8,887.9	(562.0)
07-5	FEDERAL-PROVINCIAL RELATIONS & RESEARCH			
	a) Economic and Federal-Provincial Research			
	Salaries	876.2	835.0	41.2
	Other Expenditures	271.4	354.6	(83.2)
	b) Manitoba Tax Assistance Office			
	Salaries	291.1	303.9	(12.8)
	Other Expenditures	37.5	64.4	(26.9)
TOTAL 07-5		1,476.2	1,557.9	(81.7)
07-6	INSURANCE AND RISK MANAGEMENT			
	a) Salaries	138.0	142.0	(4.0)
	b) Other Expenditures	12.3	12.3	
	c) Insurance Premiums	1,500.4	2,018.0	(517.6)
	d) Recoveries from Appropriations	(718.7)	(956.0)	237.3
TOTAL 07-6		932.0	1,216.3	(284.3)

Department of Finance

Expenditure Summary by Appropriation

Year Ended March 31, 1989

Appro. No.	Service	1988-89 Actual ($'000)	1988-89 Estimate ($'000)	1988-89 Variance ($'000)
07-7	TREASURY BOARD SECRETARIAT			
	a) Office of the Secretary			
	Salaries	104.5	102.2	2.3
	Other Expenditures	2.7	3.4	(0.7)
	b) Secretariat			
	Salaries	1,593.3	1,781.2	(187.9)
	Other Expenditures	312.6	315.2	(2.6)
TOTAL 07-7		2,013.1	2,202.0	(188.9)
07-8	TAX CREDIT PAYMENTS	236,082.4	237,100.0	(1,017.6)
TOTAL 07-8		236,082.4	237,100.0	(1,017.6)
07-9	PUBLIC DEBT (Statutory)			
	a) 1. Public Debt Interest and expenses incidental thereto	960,850.8	1,059,033.2	(98,182.4)
	2. Interest on Trust and Special Funds	87,004.1	65,550.0	21,454.1)
		1,047,854.9	1,124,583.2	(76,728.3)
	Less:			
	b) Interest and Other Charges receivable from:			
	1. Manitoba Telephone System	58,666.2	59,476.1	(809.9)
	2. Manitoba Hydro	250,427.0	267,687.1	(17,260.1)
	3. Manitoba Housing and Renewal Corporation	40,341.5	36,733.8	3,607.7
	4. Manitoba Agricultural Credit Corporation	23,607.2	24,650.5	(1,043.3)
	5. Other Government Agencies	5,314.6	4,817.8	496.8
	6. Other Loans and Investments	170,085.6	133,898.0	36,187.6
	7. Sinking Fund Investments	124,218.2	114,047.8	10,170.4
		672,660.3	641,311.1	31,349.2
TOTAL 07-9		375,194.6	483,272.1	(108,077.5)

Department of Finance

Expenditure Summary by Appropriation

Year Ended March 31, 1989

Appro. No.	Service	1988-89 Actual ($'000)	1988-89 Estimate ($'000)	1988-89 Variance ($'000)
07-10	HYDRO RATES STABILIZATION (Statutory)	44,065.9	4,636.2	39,429.7
TOTAL 07-10		44,065.9	4,636.2	39,429.7
07-11	PAYMENT OF JUDGMENT (Statutory)	39.0	0.0	39.0(1)
TOTAL 07-11		39.0	0.0	39.0
07-12	PAYMENT OF CLAIM UNDER THE FINANCIAL ADMINISTRATION ACT (Statutory)	.4	0.0	.4(2)
TOTAL 07-12		.4	0.0	.4
07-13	PAYMENT OF CLAIM UNDER THE FINANCIAL ADMINISTRATION ACT (Statutory)	10.0	0.0	10.0(3)
TOTAL 07-13		10.0	0.0	10.0

Unbudgeted Statutory Payments – Explanations

Payment of Judgment

(1) Payment of judgment under Section 19 of the Proceedings Against the Crown Act as ordered by the Court of Appeal on July 3, 1986.

Payment of Claims under The Financial Administration Act

(2) Payment under subsection 41(2) of The Financial Administration Act regarding reimbursement for destruction of equipment.

(3) Payment under subsections 41(2) and 41(3) of The Financial Administration Act regarding an injury sustained by an individual.